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TAGS: PGOV PHUM PREL

SUBJECT: U/S BURNS' MEETING WITH AZERBAIJANI FM MAMMADYAROV ON NOVEMBER 30 AT THE OSCE MINISTERIAL IN MADRID

Classified By: Acting A/S Kurt Volker for Reasons 1.4 (B) and (D)

- 11. (S) Summary: Under Secretary Burns met with Azerbaijani Foreign Minister Mammadyrov on November 30 on the margins of the OSCE Ministerial in Madrid. On Iran, Under Secretary Burns pushed for Azerbaijani support of USG policy to deter Iran,s nuclear power ambitions. On Nagorno-Karabakh, FM Mammadyarov expressed his doubt the Armenian side would seek a solution to the conflict in the next 3-5 years. Mammadyarov also objected to NK de facto president Sahakian,s travel to the U.S. U/S Burns noted the Basic Principles on the Settlement of the NK Conflict that had been presented to the two sides the previous day by the U.S., Russia and France should be given serious consideration, while DAS Bryza noted that USG policy allowing NK residents to travel with Armenian passports had not changed. Mammadyarov asked for active U.S. support for a proposed trans-Caspian gas pipeline, and noted Azerbaijan was making progress in its talks with Turkmenistan on delimitation of the Caspian seabed. On democratic reform, U/S Burns noted there were new reports of media harassment and urged Azerbaijan to honor its democratic reform commitments. End summary.
- 12. (U) U.S. participants included U/S Burns, EUR DAS Bryza, P staff Sumona Guha, and EUR/CARC Mike Carpenter (notetaker). Azerbaijani participants included FM Elmar Mammadyarov and Permanent Representative to the OSCE Ambassador Fuad Ismayilov.

Iran

13. (S) U/S Burns told FM Mammadyarov the U.S. was looking for a diplomatic solution with Iran but needed to keep the pressure on. The U.S. would like to have a new UN Security Council Resolution, and the Europeans were considering sanctions. Burns asked for help in coordinating policy on Iran and for information on Iranian nuclear negotiator Saeed Jalili. Mammadyarov noted Iranian President Ahmedinejad was toughening his negotiating position to consolidate power at home and noted the Iranians were more flexible in their talks with Russia than with the U.S.

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- 14. (C) FM Mammadyarov told U/S Burns he was not optimistic about the prospects for reaching an agreement on the resolution of the Nagorno-Karabakh (NK) conflict. Mammadyarov opined that Armenian President Kocharian and PM Sarkisian were playing a game by continuing the negotiations without real interest in a settlement. Mammadyarov noted he did not think the Armenians would reach an agreement in the next 3-5 years (i.e. during the first half of the next presidential mandate), and said the Azerbaijani side would have to "educate" the Armenian public about their national interest in settling the conflict. The biggest obstacle to a settlement was the Armenian diaspora. Mammadyarov indicated Azerbaijan could afford to bide its time in settling the conflict since its economy was growing. As evidence of its growing strength, he cited the recently concluded deal to export Azerbaijani gas through Turkey to Greece, and the construction of a railroad from Azerbaijan to Turkey via Georgia.
- 15. (C) On the substance of Basic Principles for the Peaceful Settlement of the NK conflict presented to the two sides the previous day by the Minsk Group Co-Chair countries, Mammadyarov indicated the sticking point would remain the status of the Lachin corridor between Armenia and NK. Rather than focusing on the legalization of the corridor, the Co-Chairs should concentrate on the practicalities of the corridor,s functioning. DAS Bryza pushed back, arguing the Co-Chairs, proposal did not put the status of the corridor into question and that the Basic Principles offered constructive solutions. U/S Burns also opined that the Basic Principles were fair and balanced and now it was up to the sides to demonstrate the political courage to reach an agreement. Mammadyarov conceded an agreement was still a possibility, though unlikely, in the next 6-12 months, and praised the step-by-step approach to implementing any eventual settlement.
- 16. (C) Mammadyarov ended the discussion of NK by objecting to the issuance of a visa for NK de facto president Sahakian to travel to the U.S. to fundraise for development projects in NK. DAS Bryza noted USG policy on this issue had not changed. Previous NK leaders had traveled to the U.S. on Armenian passports, and the U.S. would not challenge the Armenian government,s citizenship policy.

## -----Energy

17. (C) U/S Burns and Mammadyarov cited the importance of Azerabaijan,s emergence as an alternative source of gas supply to Europe via the Turkey-Greece-Italy and Nabucco pipelines. U/S Burns told Mammadyarov the transit of Turkmen gas to Europe would be a major accomplishment for both Azerbaijan and the U.S., and asked for his thoughts on how to realize this goal. Mammadyarov replied that the Azerbaijani Prime Minister had met with Turkmen President Berdimukhamedov at the CIS summit in Dushanbe on October 5. Mammadyarov indicated Berdimukhamedov was interested in exporting gas to Europe but was fearful of Russian opposition. Mammadyarov opined that U.S. backing was critical to achieving an inter-connection between Turkmenistan,s offshore gas fields and Azerbaijan,s gas export infrastructure, just as U.S. support was instrumental to getting the Baku-Tbilisi-Ceyhan pipeline running. Separately, he noted Azerbaijan was making progress with Turkmenistan on delimitation of the Caspian seabed, and welcomed DAS Bryza,s ongoing efforts in all these areas.

OSCE,s Office of Democratic Institutions and Human Rights (ODIHR) to monitor the Azerbaijani presidential elections in October 2008. U/S Burns welcomed this decision and noted Russian President Putin,s decision to create obstacles for ODIHR in Russia belied his talk of democratic reform and ultimately made Russia look bad. U/S Burns noted there were still reports of harassment of journalists in Azerbaijan and asked if the GOAJ was serious about addressing the problem, which was a serious one. Mammadyarov argued for a case-by-case discussion of the issue and against using an accusatorial tone. He added he had met with OSCE Representative on Freedom of the Media Miklos Haraszti in Madrid and would continue to engage on the issue of democratic reform.